

IRADIMED CORPORATION Announces First Quarter 2020 Financial Results

- Reports first quarter 2020 revenue of \$8.7 million, GAAP diluted EPS of \$0.14 and non-GAAP diluted EPS of \$0.18
- Reports combined cash and investments of \$47.4 million as of March 31, 2020

WINTER SPRINGS, Fla., April 30, 2020 — IRADIMED CORPORATION (the “Company”) (NASDAQ: IRMD), a leader in the development of innovative magnetic resonance imaging (“MRI”) medical devices and the only known provider of a non-magnetic intravenous (“IV”) infusion pump system and non-magnetic patient vital signs monitoring system that are designed for use during MRI procedures, today announced financial results for the three months ended March 31, 2020.

“Since the outbreak of COVID-19, we have taken steps to protect and support our teams. We have also taken action toward supporting our customers and their efforts in caring for those infected with the virus. I am proud of the way our teams are responding to the pandemic and their willingness to help those in need during this unprecedented time,” said Leslie McDonnell, President and Chief Executive Officer of the Company.

“While we are unable to predict the severity of the impact of COVID-19 on our business, we remain confident that higher demand for our products will return. We feel fortunate to have a strong balance sheet and the ability to generate cash from operations, even at our first quarter revenue level, positioning us to further support our customers, now and over the longer-term,” said McDonnell.

For the first quarter ended March 31, 2020, the Company reported revenue of \$8.7 million compared to \$8.4 million for the first quarter 2019. Net income was \$1.8 million, or \$0.14 per diluted share, compared to \$1.8 million, or \$0.15 per diluted share for the first quarter 2019.

Non-GAAP net income was \$2.2 million for the quarter ended March 31, 2020, which excludes \$0.4 million of stock compensation expense, net of tax. Non-GAAP net income for the quarter ended March 31, 2019 was \$1.6 million, which excludes \$0.3 million of stock compensation expense, net of tax and a \$0.6 million reduction to non-GAAP net income resulting from an infrequent tax item related to excess tax benefits recognized in the provision for income taxes for the exercise and sale of certain incentive stock options. Non-GAAP earnings per diluted share was \$0.18 for the first quarter 2020, compared to \$0.13 for the first quarter 2019.

Revenue Information:

Three Months Ended March 31,	
2020	2019

Devices:		
MRI compatible IV infusion pump system	\$ 2,664,834	\$ 4,192,754
MRI compatible patient vital signs monitoring systems	2,888,703	1,766,608
Total Devices revenue	5,553,537	5,959,362
Disposables, services and other	2,662,713	2,036,674
Amortization of extended warranty agreements	461,291	441,557
Total revenue	\$ 8,677,541	\$ 8,437,593

Domestic sales were 72.9 percent of total revenue for the first quarter 2020, compared to 83.8 percent for the first quarter 2019. Gross profit margin was 74.5 percent, compared to 75.7 percent for the first quarter 2019.

Cash Flow and Balance Sheet:

For the three months ended March 31, 2020, the Company generated \$1.2 million of cash from operations, compared to \$0.7 million for the same period last year. Free cash flow was \$1.0 million for the first quarter 2020, compared to \$0.6 million for the first quarter 2019.

As of March 31, 2020, the Company had combined cash and investments of \$47.4 million.

Financial Guidance

The Company announced its full-year and first-quarter 2020 financial guidance on February 6, 2020. Due to the rapidly changing situation and high degree of uncertainty created by the global impact of COVID-19, the Company withdrew its previous guidance on April 7, 2020 and is not providing any additional financial guidance at this time.

Use of non-GAAP Financial Measures

The Company believes the use of non-GAAP net income, free cash flow and infrequent income tax items are helpful to our investors. These measures, which we refer to as our non-GAAP financial measures, are not prepared in accordance with U.S. GAAP. We calculate non-GAAP net income as net income excluding stock-based compensation expense, net of tax. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, we believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for meaningful comparisons between our operating results from period to period. Infrequent tax items are considered based on their nature and are excluded from the provision for income taxes as these costs or benefits are not indicative of our normal or future provision for income taxes. We calculate free cash flow as net cash provided by operating activities, less net cash used in investing activities for purchases of property and equipment. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our

business that can be used for strategic opportunities, including investing in our business, making strategic acquisitions, strengthening our balance sheet and returning cash to our shareholders via share repurchases. All of our non-GAAP financial measures are important tools for financial and operational decision making and for evaluating our operating results.

A reconciliation of the non-GAAP financial measures used in this release to the most comparable U.S. GAAP measures for the respective periods can be found in the table later in this release immediately following the condensed statements of cash flows. **These non-GAAP financial measures should not be considered in isolation or as a substitute for a measure of the Company's operating performance or liquidity prepared in accordance with U.S. GAAP and are not indicative of net income or cash provided by operating activities.**

Conference Call

IRADIMED has scheduled a conference call to discuss this announcement beginning at 11:00 a.m. Eastern Time today, April 30, 2020. Individuals interested in listening to the conference call may do so by dialing 1-844-413-1781 for domestic callers, or 1-716-247-5767 for international callers, and entering the reservation code 6542729.

The conference call will also be available real-time via the internet at <http://www.iradimed.com/en-us/investors/events/>. A recording of the call will be available on the Company's website following the completion of the call.

About IRADIMED CORPORATION

IRADIMED CORPORATION is a leader in the development of innovative magnetic resonance imaging ("MRI") compatible medical devices. We are the only known provider of a non-magnetic intravenous ("IV") infusion pump system that is specifically designed to be safe for use during MRI procedures. We were the first to develop an infusion delivery system that largely eliminates many of the dangers and problems present during MRI procedures. Standard infusion pumps contain magnetic and electronic components which can create radio frequency interference and are dangerous to operate in the presence of the powerful magnet that drives an MRI system. Our patented MRidium® MRI compatible IV infusion pump system has been designed with a non-magnetic ultrasonic motor, uniquely designed non-ferrous parts and other special features to safely and predictably deliver anesthesia and other IV fluids during various MRI procedures. Our pump solution provides a seamless approach that enables accurate, safe and dependable fluid delivery before, during and after an MRI scan, which is important to critically-ill patients who cannot be removed from their vital medications, and children and infants who must generally be sedated to remain immobile during an MRI scan.

Our 3880 MRI compatible patient vital signs monitoring system has been designed with non-

magnetic components and other special features to safely and accurately monitor a patient's vital signs during various MRI procedures. The IRADIMED 3880 system operates dependably in magnetic fields up to 30,000 gauss, which means it can operate virtually anywhere in the MRI scanner room. The IRADIMED 3880 has a compact, lightweight design allowing it to travel with the patient from their critical care unit, to the MRI and back, resulting in increased patient safety through uninterrupted vital signs monitoring and decreasing the amount of time critically ill patients are away from critical care units. The features of the IRADIMED 3880 include: wireless ECG with dynamic gradient filtering; wireless SpO2 using Masimo® algorithms; non-magnetic respiratory CO2; invasive and non-invasive blood pressure; patient temperature, and; optional advanced multi-gas anesthetic agent unit featuring continuous Minimum Alveolar Concentration measurements. The IRADIMED 3880 MRI compatible patient vital signs monitoring system has an easy-to-use design and allows for the effective communication of patient vital signs information to clinicians.

For more information please visit www.iradimed.com.

Forward-Looking Statements

This press release contains forward-looking statements as defined in the Private Securities Litigation Act of 1995, particularly statements regarding our expectations, beliefs, plans, intentions, future operations, financial condition and prospects, and business strategies. These statements relate to future events or our future financial performance or condition and involve unknown risks, uncertainties and other factors that could cause our actual results, level of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. The risks and uncertainties referred to above include, but are not limited to, risks associated with the Company's ability to receive an EC Certificate or CE Mark for our existing products and product candidates, receive FDA 510(k) clearance for new products and product candidates; unexpected costs, delays or diversion of management's attention associated with the design, manufacture or sale of new products; the Company's ability to implement successful sales techniques for existing and future products and evaluate the effectiveness of its sales techniques; additional actions, warnings or requests from the FDA or other regulatory bodies; our significant reliance on a limited number of products; potential disruptions in our limited supply chain for our products; a reduction in international distribution; actions of the FDA or other regulatory bodies that could delay, limit or suspend product development, manufacturing or sales; the effect of recalls, patient adverse events or deaths on our business; difficulties or delays in the development, production, manufacturing and marketing of new or existing products and services; changes in laws and regulations or in the interpretation or application of laws or regulations.

Further information on these and other factors that could affect the Company's financial results is included in filings we make with the Securities and Exchange Commission from time

to time. All forward-looking statements are based on information available to us on the date hereof, and we assume no obligation to update forward-looking statements.

IRADIMED CORPORATION
CONDENSED BALANCE SHEETS

	March 31, 2020	December 31, 2019
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 44,636,348	\$ 43,481,781
Accounts receivable, net	5,851,843	7,293,303
Investments	2,782,162	2,768,287
Inventory, net	4,214,961	3,641,561
Prepaid expenses and other current assets	753,334	407,802
Prepaid income taxes	2,271,948	1,370,947
Total current assets	60,510,596	58,963,681
Property and equipment, net	2,099,778	2,053,806
Intangible assets, net	901,378	860,087
Operating lease right-of-use asset	2,897,007	2,955,873
Deferred income taxes, net	1,692,445	1,663,415
Other assets	266,757	232,002
Total assets	\$ 68,367,961	\$ 66,728,864
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 873,332	\$ 993,742
Accrued payroll and benefits	1,623,375	2,166,209
Other accrued taxes	126,826	596,576
Warranty reserve	89,685	81,761
Deferred revenue	1,814,209	1,671,420
Current portion of operating lease liability	244,474	240,843
Other current liability	108,421	108,421
Total current liabilities	4,880,322	5,858,972
Deferred revenue	2,773,802	2,630,467
Operating lease liability	2,652,533	2,715,030
Total liabilities	10,306,657	11,204,469
Stockholders' equity:		
Common stock	1,197	1,177
Additional paid-in capital	19,949,639	19,192,394
Retained earnings	38,069,661	36,300,450
Accumulated other comprehensive income	40,807	30,374
Total stockholders' equity	58,061,304	55,524,395

Total liabilities and stockholders' equity

\$ 68,367,961 \$ 66,728,864

IRADIMED CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
Revenue	\$ 8,677,541	\$ 8,437,593
Cost of revenue	2,213,730	2,047,827
Gross profit	6,463,811	6,389,766
Operating expenses:		
General and administrative	2,862,727	2,412,696
Sales and marketing	2,433,567	2,110,652
Research and development	430,282	352,573
Total operating expenses	5,726,576	4,875,921
Income from operations	737,235	1,513,845
Other income, net	98,502	92,574
Income before provision for income taxes	835,737	1,606,419
Provision for income tax benefit	(933,474)	(239,146)
Net income	\$ 1,769,211	\$ 1,845,565
Net income per share:		
Basic	\$ 0.15	\$ 0.17
Diluted	\$ 0.14	\$ 0.15
Weighted average shares outstanding:		
Basic	11,891,428	11,029,639
Diluted	12,365,605	12,227,696

IRADIMED CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
Operating activities:		
Net income	\$ 1,769,211	\$ 1,845,565
Adjustments to reconcile net income to net cash provided by operating activities:		

Change in allowance for doubtful accounts	36,756	21,450
Change in provision for excess and obsolete inventory	128,143	120,529
Depreciation and amortization	344,784	387,081
Stock-based compensation	568,958	382,353
Deferred income taxes, net	(32,472)	59,048
Loss on maturities of investments	-	3,826
Changes in operating assets and liabilities:		
Accounts receivable	1,404,704	(1,140,008)
Inventory	(560,996)	(333,546)
Prepaid expenses and other current assets	(538,093)	(665,862)
Other assets	(60,614)	(4,891)
Accounts payable	(266,644)	375,202
Accrued payroll and benefits	(542,834)	(378,354)
Other accrued taxes	(469,750)	(46,832)
Warranty reserve	7,924	(341)
Deferred revenue	308,559	338,078
Prepaid income taxes	(901,001)	(298,094)
Net cash provided by operating activities	1,196,635	665,204
Investing activities:		
Proceeds from maturities of investments	-	650,000
Purchases of property and equipment	(166,593)	(82,943)
Capitalized intangible assets	(63,782)	(9,724)
Net cash (used in) provided by investing activities	(230,375)	557,333
Financing activities:		
Proceeds from exercises of stock options	322,179	456,739
Taxes paid related to net share settlement of equity awards	(133,872)	(22,507)
Net cash provided by financing activities	188,307	434,232
Net increase in cash and cash equivalents	1,154,567	1,656,769
Cash and cash equivalents, beginning of period	43,481,781	28,027,688
Cash and cash equivalents, end of period	\$ 44,636,348	\$ 29,684,457

IRADIMED CORPORATION
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Non-GAAP Net Income and Diluted EPS

	Three Months Ended	
	March 31,	
	2020	2019
Net income	\$ 1,769,211	\$ 1,845,565
Excluding:		
Stock-based compensation expense, net of tax expense	427,800	287,491
Infrequent tax item	-	(564,810)

Non-GAAP net income	\$ 2,197,011	\$ 1,568,246
Weighted-average shares outstanding – diluted	12,365,605	12,227,696
Non-GAAP net income per share – diluted	\$ 0.18	\$ 0.13

* The infrequent tax item is related to the excess tax benefits recognized in the provision for income taxes associated with the exercise and sale of certain incentive stock options.

Free Cash Flow

	Three Months Ended March 31,	
	2020	2019
Net cash provided by operating activities	\$ 1,196,635	\$ 665,204
Less:		
Purchases of property and equipment	166,593	82,943
Free cash flow	\$ 1,030,042	\$ 582,261

Media Contact:

Chris Scott

Chief Financial Officer

IRADIMED CORPORATION

(407) 677-8022

InvestorRelations@iradimed.com

